



H.R. 2641 – Making appropriations for energy and water development and related agencies for the fiscal year ending September 30, 2008, and for other purposes

Executive Summary

The House will consider H.R. 2641, the Energy and Water Appropriations Act for FY2008, on June 19, 2007, under an open rule. H.R. 2641 provides \$31.6 billion for Fiscal Year 2008, which is \$1.13 billion above the President's request and \$1.3 billion above the Fiscal Year 2007 funding levels.

H.R. 2641 provides funding for our nation's water infrastructure, domestic energy sources, and nuclear weapons and nonproliferation programs. This bill cuts funding for much of the Administration's nuclear weapons programs and requests, and increases funding for nuclear site cleanup, the Army Corps of Engineers (USACE), and alternative energy research. Republicans on the committee expressed serious concerns that much of the funding in H.R. 2641 is appropriated to agencies without project-specific guidance, directing how the funds are to be spent.

The Democrats' overall 302(b) allocation levels for FY2008 represent an \$83 billion increase over the 2007 enacted budget levels. While Democrats defend this substantial increase by claiming domestic programs have been starved in recent years, the reality is that domestic discretionary spending has increased 40% – or 12% in real dollars – since 2001. The Administration has threatened to veto any appropriations bill with more funding than requested.

H.R. 2641 and the accompanying committee report do not contain earmarks at this point. In the agreement announced by the Majority Leader's office and Chairman Obey (D-WI), this bill will not be considered for final passage until a supplemental report is filed by the Committee on Appropriations containing all of the project-specific allocations and earmarks. Amendment debate will then continue until final passage. We anticipate this final step with the supplement report will occur after the July 4th break.

(Please note that a running list of amendments offered during floor debate will also be available on our www.gop.gov)

Background

H.R. 2641 provides \$31.6 billion for Fiscal Year 2008, which is \$1.13 billion above the President's request and \$1.3 billion above the Fiscal Year 2007 funding levels. The Administration has threatened to veto any appropriations bill with more funding than requested.

Prior to the full committee mark-up, the Appropriations Committee adopted the 302(b) allocations for Fiscal Year 2008, including \$31.6 billion for the Energy and Water Development Appropriations Bill. This represents a 3.7% increase above the President's request and a 4.3% increase over Fiscal Year 2007 funding levels. 302(b) allocations set the amount of discretionary funding allowed for each appropriations bill.

During Committee mark-up of the bill, an amendment offered by Representative Hinchey (D-NY) was rejected by a vote of 30 to 35. This amendment would have prohibited the Secretary of Energy from using funds to designate a national electric transmission corridor.

Floor Situation

H.R. 2641 is being considered on the floor pursuant to an open rule. The rule:

- Provides one hour of general debate equally divided and controlled by the Chairman and Ranking Member of the Committee on Appropriations.
- Waives all points of order against its consideration of the bill except for clauses 9 (earmarks) and 10 (PAYGO) of Rule XXI.
- During amendment consideration, the Chairman may give priority in recognition to Members who pre-printed his or her amendment(s).
- Waives points of order against provisions that fail to comply with clause 2 of rule XXI.

Note: This provision waives the House Rule that prohibits authorizing language in an appropriations bill. All Republican Ranking Members signed a letter in objection to this tactic.

- Provides one motion to recommit with or without instructions.
- Provides that, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to a time designated by the Speaker.

The bill was introduced by Representative Peter Visclosky (D-IN) on June 11, 2007. The House Committee on Appropriations reported H.R. 2641 on June 11, 2007.

The bill is expected to be considered on the floor on June 14, 2007.

Funding Summary

Table: Energy and Water Appropriations

(funding in millions)

	FY 2008	President's	FY 2007
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	Proposal	Request	Enacted
Total	\$31,603	\$30,472	\$30,296
USACE Investigations	\$120	\$90	\$163
USACE Construction	\$2,009	\$1,523	\$2,336
USACE Operations and Maint.	\$2,655	\$2,471	\$1,973
Bureau of Reclamation	\$1,030	\$958	\$1,043
Energy Efficiency	\$1,874	\$1,236	\$1,474
Fossil Energy R & D	\$709	\$567	\$593
Strategic Petroleum Reserve	\$163	\$332	\$164
Science	\$4,514	\$4,398	\$3,797
Defense Nuclear Non-proliferation	\$1,684	\$1,673	\$1,683
Nuclear Weapons Activities	\$5,879	\$6,511	\$6,276
Defense Environmental Cleanup	\$5,767	\$5,364	\$5,732
Non-Defense Environmental Cleanup	\$286	\$181	\$350
Appalachian Regional Commission	\$35	\$65	\$65
Nuclear Regulatory Commission	\$926	\$908	\$817

Key Provisions

- **Flood Control and Coastal Emergencies:** The bill recommends \$40 million for the Army Corps of Engineers to respond to and train for natural disasters, the same as the Administration's request.
- **Water and Related Resources:** The bill recommends \$871 million, which is \$55 million above the request and \$7 million less than FY2007 funding. The funds are used to manage and restore water resources in the 17 western states.
- **Energy Supply and Conservation:** The bill eliminates one large account for Energy Supply and Conservation and creates 5 smaller independent accounts for the five programs that are funded in the Energy Supply and Conservation Account to highlight spending on energy research. The 5 new accounts combined provide \$2.834 billion for the Energy programs listed below, \$646 million above the Administration's request, and \$679 million above the amount appropriated for FY2007. The five accounts are:
 - \$1,874 million for Energy Efficiency and Renewable Energy Resources
 - \$759 million for Nuclear Energy
 - \$134 million for Electricity Delivery and Energy Reliability
 - \$32 million for Environment, Safety and Health (non-defense)

- \$35 million for Legacy Management (non-defense)

- **Renewable Energy and Energy Efficiency:** The \$1.874 billion recommended by the committee is divided into programs including:
 - \$250 million for Biomass and Biorefinery Systems R&D
 - \$200 million to develop solar energy technologies
 - \$57 million for a wind energy program
 - \$235 million for vehicle technologies to reduce petroleum use
- **Global Nuclear Energy Partnership (GNEP):** The bill includes \$120 million for this spent nuclear fuel program, \$285 million less than the request. The GNEP program was established to conduct fuel recycling, nuclear nonproliferation activities, and to foster growth in nuclear technology programs. The Department of Energy states that the goal of GNEP is to address “two long-standing barriers to enable expansion of nuclear power: (1) the means to use sensitive technologies responsibly in a way that protects global security, and (2) the pathway to safe management and disposition of spent fuel.”
- **Strategic Petroleum Reserve (SPR):** The bill includes \$163 million (less than 50% of the requested funding), which is \$1 million less than the amount appropriated in FY2007 and \$168 million less than the Administration’s request. The Administration seeks to enlarge the SPR from its current 1 billion barrel capacity to 1.5 billion barrels.
- **Climate Change Research:** The bill provides \$158 million, \$20 million above the Administration’s request, with the increased funds intended for “enhanced climate modeling.”
- **Nuclear Waste Disposal at Yucca Mountain:** The bill provides \$495 million, which is the same as the amount requested and \$49 million more than FY2007. The funds are to be used for work on the Yucca Mountain nuclear waste repository and the development of a plan for an interim spent fuel storage site.

**Note: The total \$495 million provided in the bill is derived from 2 separate accounts: \$292 million for defense nuclear waste disposal, and \$202 million for non-defense nuclear waste disposal.*

- **Nuclear Weapons Activities:** The bill provides \$5.897 billion in spending, \$632 million less than the request and \$396 million below FY2007 funding for the programs designed to maintain and refurbish nuclear weapons and ensure the safety and reliability of our nuclear stockpiles.
- **Reliable Replacement Warhead (RRW):** The Committee recommends no funding for this \$89 million administration request. The RRW program was established to pursue new designs for nuclear warheads that would lead to reductions in the number of stockpiled weapons and “improved safety, security, reliability, and sustainability.”

**Note: Ranking Member Lewis (R-CA) supports the elimination of funding for this program until the Administration presents a specific stockpile plan to ensure that this program will lead to “a much smaller, more responsible future stockpile.”*

- **Nuclear Warhead Dismantlement:** The bill provides \$173 million for the warhead dismantlement program, \$121 million more than the President’s request.

**Note: \$91 million of the increase in funding in FY2008 funding comes from the shift of the Pit Disassembly and Conversion Facility from the Defense Nuclear Non-proliferation account to the Weapons Activities account.*

- **Nuclear Weapons Incident Response:** The bill provides \$161 million for this program to respond to nuclear and radiological incidents worldwide, the same as the President’s request.
- **Non-proliferation and verification research:** The bill provides \$484 million, \$219 million over the President’s request for nuclear proliferation detection technology and nuclear explosion monitoring capabilities.
- **Mixed Oxide (MOX) Fuel Fabrication Facility:** The bill provides \$168 million, \$264 million less than the President’s request and \$115 million less than FY2007 funding. The proposed MOX facility is part of carrying out a bilateral agreement between the U.S. and Russia in 2000 for both nations to dispose of surplus weapons-grade plutonium. The bilateral process has since stalled. The bill moves the MOX program from the Defense Nuclear Non-proliferation account to the Nuclear Energy account, and pairs the MOX program with the GNEP activities in the Advanced Fuel Cycle Initiative account.

**Note: Ranking Member Lewis (R-CA) supports cutting the program’s funding, and stated in the Republican views of the Committee Report on H.R. 2641: “This project is simply a waste of money...little more than a jobs program in South Carolina...this funding should be eliminated entirely.”*

- **Defense Environmental Cleanup:** The bill provides \$5.767 billion, an increase of \$403 million over the President’s request for managing hazardous materials, spent nuclear fuel, and decontamination activities at sites including:
 - \$1.160 billion for the Savannah River Site
 - \$601 million for the Idaho National Laboratory
 - \$235 million for the Oak Ridge Reservation
 - \$863 million for the Office of River Protection
 - \$950 million for the Hanford Site
- **Appalachian Regional Commission (ARC):** The legislation provides \$35 million is roughly 45% less than the President’s request and FY2007 funding. The committee aims to cut funding for regional development funds for the 13 member states of the ARC.

- **Nuclear Regulatory Commission (NRC):** The bill provides \$926 million, \$17 million more than the President's request and \$109 million more than FY2007. The additional funds in the bill are to support nuclear education and to support international efforts to secure high-risk materials.

Amendments Pre-Printed in the Congressional Record on June 12, 2007

(Please note that a running list of amendments offered during floor debate will also be available on our [website](#).)

Rep. Bishop (D-NY): Prohibits any funds in H.R. 2641 from being used by the Federal Energy Regulatory Commission to review the application for the Broadwater Energy proposal in the Long Island Sound.

Rep. Burgess (R-TX): provides \$1.5 million for the Low-Volume Natural Gas study authorized in Section 1808 of The Energy Policy Act of 2005. The purpose of the study is to examine ways that we can maximize domestic natural gas production by increasing the yield of existing natural gas wells. This is offset by decreasing funds for the Energy Information Agency.

Rep. Capito (R-WV): provides \$30 million for the Appalachian Regional Commission (ARC), to set funding for the ARC equal to the President's request of \$65 million, and FY2007 funding. The increase in spending is offset by a \$30 million reduction in Department of Energy Salaries and Expenses.

**Note: This amendment is identical to an amendment offered by Rep. Space (D-OH)*

Rep. Space (D-OH): provides \$30 million for the Appalachian Regional Commission (ARC), to set funding for the ARC equal to the President's request of \$65 million, and FY2007 funding. The increase in spending is offset by a \$30 million reduction in Department of Energy Salaries and Expenses.

**Note: This amendment is identical to an amendment offered by Rep. Capito (R-WV)*

Amendments Pre-Printed in the Congressional Record on June 13, 2007

Rep. Conaway (R-TX): Provides a sense of the House of Representatives that any spending reductions that result from amendments to H.R. 2641 should be applied to deficit reduction.

Rep. Tauscher (R-CA): Requires that of the funds appropriated to the National Nuclear Security Administration for weapons activities, \$173,250,000 should be used for nuclear weapons dismantlement activities (of which \$91,000,000 would be for the Pit Disassembly and Conversion Facility Project in South Carolina).

Rep. Berkley (D-NV): Prohibits funds from being used to administer the "Yucca Mountain Youth Zone" website.

Amendments Pre-Printed in the Congressional Record on June 18, 2007

Rep. Garrett (R-NJ): The amendment would limit funds in this Act to pay for at most 50 employees from a Federal department or agency at any single conference occurring outside the United States.

Rep. Musgrave (R-CO): The amendment would reduce by 0.5 percent each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law.

Rep. Upton (R-MI): The amendment would increase the Title 17 Innovative Technology Loan Guarantee Loan Program by \$4 billion, and would provide that \$4 billion for advanced nuclear energy facilities.

Rep. Upton (R-MI): The amendment would prohibit funds from being used for the purchase of any light bulb that is not Energy Star rated.

Rep. Price (R-GA): The amendment would reduce the funds in this bill by 1%.

Rep. Gohmert (R-TX): The amendment would prohibit funds from implementing the Stipulation of Settlement dated September 13, 2006, in the litigation captioned Natural Resources Defense Council, et al. v. Kirk Rodgers, et al. (a more descriptive summary will be made available on www.gop.gov)

Rep. Campbell (R-CA): The amendment would reduce the funds in this bill by \$1.305 billion, which would equal the FY2007 level.

Rep. Campbell (R-CA): The amendment would reduce the funds in this bill by \$1.130 billion, which would equal the President's request.

Rep. Hensarling (R-TX): The amendment would eliminate \$1.8 million in funding for the Denali Commission.

Rep. Neugebauer (R-TX): The amendment would eliminate \$35 million in funding for the Appalachian Regional Commission.

Rep. Hensarling (R-TX): The amendment would decrease funding by \$27.950 million for the Department of Energy's Department of Energy, Departmental Administration Account, which would be equivalent to the FY2007 level.

Rep. Kline (R-MN): The amendment would decrease funding by \$142 million for the Department of Energy's Fossil Energy Research and Development Account, which would be equivalent to the President's request.

Rep. Hensarling (R-TX): The amendment would decrease funding by \$19.244 million for the Department of Energy's Electricity Delivery and Energy Reliability, which would be equivalent to the President's request.

Rep. Campbell (R-CA): The amendment would decrease funding by \$101.550 million for the Department of Energy's Energy Efficiency and Renewable Energy program, which would be equivalent to the President's request.

Rep. Hensarling (R-TX): The amendment would decrease funding by \$55 million for the Department of the Interior's Water and Related Resources Account, which would be equivalent to the President's level.

Rep. Hensarling (R-TX): The amendment would strike section 105. Section 105 prohibits funds from being used under OMB Circular A-76 "to process or approve a competition" with regard to the Army Corps of Engineers.

Rep. Westmoreland (R-GA): The amendment would decrease funding by \$18 million for the Mississippi River and Tributaries Account, which would be equivalent to the President's level.

Rep. Westmoreland (R-GA): The amendment would decrease funding by \$184.241 million for the Army Corps of Engineers, Operations and Maintenance, which would be equivalent to the President's level.

Rep. Westmoreland (R-GA): The amendment would decrease funding by \$481.186 million for the Army Corps of Engineers, Construction, which would be equivalent to the President's level.

Rep. Wynn (D-MD): The amendment would require \$213 million for hydrogen technologies from the funds made available to the Department of Energy's Energy Efficiency and Renewable Energy Account.

Additional Views

The Bush Administration issued a statement of policy in opposition to H.R. 2641 on June 13, 2007:

"The Administration strongly opposes H.R. 2641 because, in combination with the other FY 2008 appropriations bills, it includes an irresponsible and excessive level of spending and includes other objectionable provisions.

H.R. 2641 exceeds the President's requests for programs funded in this bill by \$1.1 billion...if H.R. 2641 were presented to the President, he would veto the bill.

Department of Energy (DOE)

The Administration is concerned about the Committee's intrusion into the management prerogatives of the Department. In particular, many of the directions regarding program

organizational structure make it difficult to carry out mission-related activities in the most effective manner possible. The Administration respects the oversight role of Congress, but actions taken in this bill severely restrict the ability of the Secretary to manage effectively important activities of the Department such as security and safety.

Environmental Management. The Administration opposes the \$359 million increase for the Environmental Management program and the reductions to priority projects. The President's Budget reflects the completion of several major sites and prioritization of funding to address the greatest risks to human health and the environment at sites where cleanup work remains. The House is urged to fund the program at the requested level.

Fossil Energy Research and Development. The Administration agrees with the bill's focusing of efforts within Fossil Energy Research and Development on technology for carbon capture and sequestration, but the funding levels are excessive. In particular, savings could be realized by terminating the Innovations for Existing Plants program -- rather than creating a new mission for this program -- and the oil and gas technology programs, as well as by moderating the proposed increases in Sequestration and Advanced Research.

Nuclear Energy Research and Development. The Administration is disappointed with the reduction to the Global Nuclear Energy Partnership (GNEP), a key part of the Administration's strategy to promote the use of nuclear energy domestically and internationally, and for the funding reduction for Nuclear Power 2010, a program that will assist companies with the nuclear licensing process. GNEP can extend the useful life of the Yucca Mountain nuclear waste repository by reducing the waste placed in the repository. GNEP is also gaining growing support from other nuclear supplier countries, which a cut in funding would put at risk. The Administration urges the House to restore funding for these critical programs.

Asia-Pacific Partnership (APP). The Administration objects to the reduction in climate change funding for the Asia-Pacific Partnership for Clean Development and Climate. In light of the developments on climate change put in motion by the Administration at the recent G8 summit, the participation in APP by major emitters including China and India, and the endorsement of the APP approach to climate change by G8 members, the Administration asks the committee to fully fund this important climate change initiative.

The Administration strongly opposes the reduction for Weapons Activities of approximately \$600 million from the President's request. At the lower funding level, activities and programs critical to transform the nuclear weapons complex and allow it to become more cost-effective and responsive to rapidly changing requirements will be severely curtailed.

Corps of Engineers (Corps)

... the Administration strongly objects to the \$713 million increase for the civil works program.

Department of the Interior, Bureau of Reclamation

The Administration objects to the \$70 million increase above the request for the Bureau of Reclamation (Reclamation). At the same time, the Committee failed to fund the Administration's Water 2025 proposal, which would help prevent future water crises in the

West. The Administration submitted legislation in April to authorize this program and looks forward to working with Congress to enact this important legislation.

Competitive Sourcing

The Administration strongly opposes language that prohibits the Army Corps of Engineers and the Department of Energy from improving Government operations through competitive sourcing.

Both the Corps and the Department have used public-private competition in a fair and reasoned manner to improve the efficiency of their programs. On a Government-wide basis, competitions conducted over the last four years are expected to produce nearly \$7 billion in savings, the majority of savings to be achieved within the next five to seven years.”

Staff Contact

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